

# TODAY

Volume 5, Number 1 An Official Publication of the Social Security Administration January / February 2000

## How's Your Statement?



"Fine, thank you, and yours?"

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**I**n October, we began automatically sending new *Social Security Statements* to workers 25 or older who are not already getting benefits on their own work records. Your *Statement* shows how much you've earned over the years and provides estimates of the benefits you and your family may be eligible for now and in the future.

About a half a million people receive their *Statements* every day. Yours should arrive in the mail about three months before your birthday. When you receive your *Statement*, take the time to look it over carefully. Remember, it's important that your Social Security records are correct because your future benefits depend on that information. If there are any

mistakes in your name, your date of birth, or your earnings, here's how to correct them.

#### IS YOUR ADDRESS CORRECT?

Until you actually apply for benefits with Social Security, we do not keep your mailing address. The address on your *Social Security Statement* is the one from your latest income tax return on record with the Internal Revenue Service (IRS). If you've moved, you should notify the IRS, not Social Security. You can call the IRS at 1-800-829-3676 and ask for Form 8822, or visit [www.irs.gov](http://www.irs.gov), the IRS website.

#### IS YOUR NAME AND DATE OF BIRTH CORRECT?

The name and the date of birth on your *Social Security Statement* are the ones on your Social Security number

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### Commissioner's Message

Recently, President Clinton signed the "Ticket to Work and Work Incentives Improvement Act of 1999." This is one of the most significant changes in disability policy in the last 20 years. We now have an even greater opportunity to assist our beneficiaries to achieve increased self-sufficiency.

Social Security will establish the Ticket to Work and Self-Sufficiency Program, which provides beneficiaries with opportunities to get vocational rehabilitation services, employment services or other support services from approved providers that they can choose.

Effective October 1, 2000, the legislation also extends Part A premium-free Medicare coverage for disability beneficiaries who return to work, for four and one-half years beyond the current limit. Another key provision allows disability beneficiaries whose benefits have ended because of earnings from work to have five years to request reinstatement of their Social Security benefits without filing a new application.

I welcome this exciting opportunity because we now can help Americans who want to work by lessening their fears about losing health care coverage and income.

*Kenneth S. Apfel*

*Kenneth S. Apfel, Commissioner of Social Security*



## Survey Ranks Social Security High in Customer Satisfaction

Last year, Vice President Al Gore asked the heads of 30 federal agencies which have the most interaction with the public to participate in a survey to find out how satisfied customers are with the services the agencies provide. The survey is known as the American Customer Satisfaction Index (ACSI). The results are in, and Social Security received one of the highest customer satisfaction ratings — 82 out of a possible 100. The score is 10 points higher than the comparable private sector index.

The survey focused on Social Security customers who recently began receiving retirement benefits, our largest customer base serving 27.6 million beneficiaries. According to survey

results, Social Security customers rated Social Security employees as courteous and professional, giving the agency an 86 percent grade in the areas of "Customer Service and Perceived Quality." Survey respondents gave Social Security 94 percent for "monthly benefits," citing the timeliness in which Social Security sends benefit payments. According to the people who developed and administered the ACSI, this score is a remarkable achievement — few ACSI scores reach the high 80s, much less the 90s.

Social Security will use the results of this survey to build on the work we do well and improve the areas where our customers say we can do a better job.



### KEEP IN MIND

#### Delayed Retirement Credits Can Mean Extra Benefits

Thinking about retiring this year? If you've reached retirement age but aren't sure you're ready to stop work-

ing, you should know that you can earn delayed retirement credits from Social Security. For each month that you keep working and put off collecting Social Security, you'll earn an extra one-half of 1 percent in benefits when you do retire — 6 percent for the entire year. To find out more about delayed retirement credits, call Social Security at **1-800-772-1213.**



# NEW LAW CHANGES SSI RULES AND PROVIDES SPECIAL VETERANS BENEFITS

The Foster Care Independence Act of 1999, signed by the President on December 14, changes several Supplemental Security Income (SSI) rules concerning eligibility and overpayments. It also provides for special benefits for World War II veterans under a new title VIII of the Social Security Act.

## SSI ELIGIBILITY

- For SSI purposes, an individual's resources now include the assets of any trust containing property transferred from the individual, or his or her spouse, if these assets could be used for the benefit of either. Any earnings or additions to the trust will count as the individual's income.

Trusts established by will or those that would reimburse the state for the cost of services provided to the beneficiary are excluded. This provision ensures that SSI beneficiaries who lose their SSI benefits because of assets held in trust will not automatically lose their Medicaid benefits. The law applies to trusts established on or after January 1, 2000.

- SSI applicants and beneficiaries may be required to allow Social Security to get their financial records from any and all financial institutions. An individual who refuses to allow Social Security to do this may become ineligible for SSI payments.

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SOCIAL SECURITY

**TODAY**

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Richard.W.Schwartz@ssa.gov. For more information about any of the items in Social Security Today, call Social Security at 1-800-772-1213 weekdays between 7 a.m. and 7 p.m. You can also get a variety of information about Social Security programs, including this publication, on the Internet at [www.ssa.gov](http://www.ssa.gov).



**H**ere's a reminder from Social Security. If you are one of the eight million people who pay taxes on your Social Security benefits, you can now have your taxes withheld from your payments, automatically. In fact, since it was first offered a year ago, more than 62,000 people have signed up for this convenient service offered jointly by Social Security and the Internal Revenue Service (IRS).

To take advantage of automatic withholding, complete IRS Form W-4V, *Voluntary Withholding Request*. Select the percentage of your monthly benefit you want withheld — 7, 15, 28 or 31 percent. Only these percentages can be used; amounts in dollars are not acceptable. After you've made your selection, sign and return the form to your local Social Security office either by mail or in person.

## IS AUTOMATIC WITHHOLDING FOR YOU?

Each time you want to change or stop a withholding, complete a new W-4V and send it directly to Social Security.

If, for some reason, your benefits stop, your withholding will also stop and will not start again until you complete a new W-4V. If your benefits are temporarily suspended or deferred, your withholding request will be held and honored when your benefits resume.

To get a Voluntary Withholding Request, Form W-4V, call IRS toll free, at 1-800-829-3676. Your local Social Security office does not have these forms. However, the forms are available on the Internet at [www.ssa.gov](http://www.ssa.gov).

Keep in mind, automatic withholdings are totally voluntary. If you prefer, you can continue paying your taxes quarterly, without making any changes.

### VETERANS' BENEFITS *Continued from page 3*

#### SSI OVERPAYMENTS

- Representative payees of deceased beneficiaries are now liable for a SSI or a Social Security overpayment resulting from payments to the deceased beneficiary. Social Security will establish an overpayment control record under the representative payee's Social Security number.
- Social Security will now recover SSI overpayments from SSI lump-sum payments by withholding 50 percent of the lump-sum payment or the amount of the overpayment, whichever is less.

#### VETERANS' BENEFITS

- Under title VIII (new) of the Social Security Act, certain veterans may be entitled to special benefits for months after September 2000 in which they reside outside the U.S. on the first day of the month.
- World War II veterans who are 65 or older as of December 14, 1999 are eligible for these special benefits. Veterans must have been eligible for SSI in December 1999 and in the month they apply for the special benefits. They can not have other benefit income (annuities, pensions, retirement or disability payments) that is more than 75 percent of the SSI federal benefit rate.
- The special monthly benefit amount will be 75 percent of \$512 (the current SSI federal benefit rate effective in January 2000), minus the amount of the veteran's other benefit income for the month. These benefits can not be paid to the veteran's dependents or survivors.

For more information about the new law, contact your local Social Security office. Individuals outside of the United States should contact any U.S. embassy or consulate, or Social Security's Division of Veterans Affairs Regional Office in Manila.

### How's Your Statement?

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record. If you need to correct them, you'll need to contact Social Security for a Form SS-5. You can request one by phone at 1-800-772-1213 or at [www.ssa.gov](http://www.ssa.gov) on the Internet.

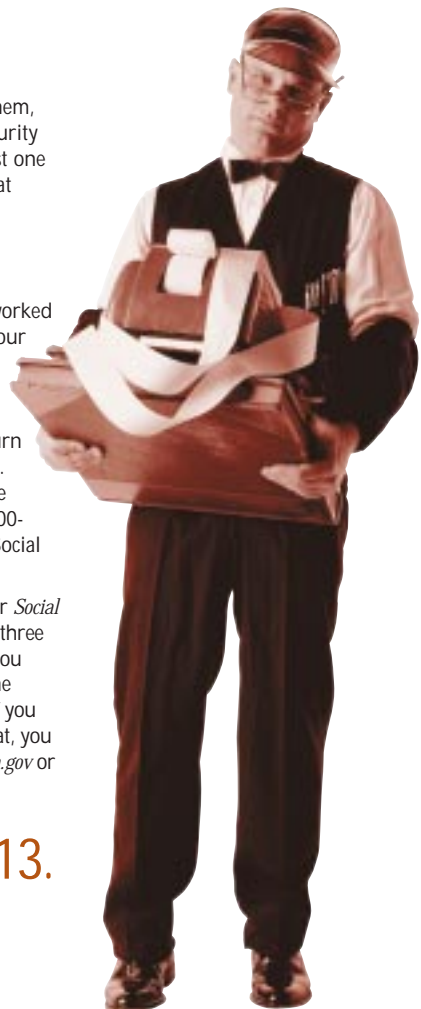
#### IS YOUR RECORD OF EARNINGS CORRECT

Only you know where you worked and how much you earned. If your record is not complete, let us know right away so we can help you correct it. It will help if you have your W-2 or tax return for the year or years in question.

But even if you don't have these records handy, contact us at 1-800-772-1213 or stop by your local Social Security office.

Remember, you'll receive your *Social Security Statement* each year about three months before your birthday. If you don't receive your *Statement* by one month before your birthday, or if you need a *Statement* sooner than that, you can always request one at [www.ssa.gov](http://www.ssa.gov) or by calling

**1-800-772 1213.**



## ANNUAL SIGN-UP PERIOD FOR MEDICARE ENDS MARCH 31



If you are eligible for Medicare medical insurance (Part B) but haven't signed up, you can do so now during the annual "general enrollment period" for Medicare, from January 1 until March 31.

Beneficiaries with Medicare hospital insurance (Part A) who decided not to sign up for medical insurance when they first became eligible for Medicare can do so now if they've changed their minds. Also, those who had medical insurance at one time, but dropped out, can enroll again during this three-month period.

Medicare medical insurance helps pay for doctors' visits, out-patient hospital treatment and other medical services and supplies not covered by Medicare hospital insurance (Part A).

The cost of the medical insurance premium is \$45.50 a month in 2000. However, beneficiaries who sign up now instead of when they were originally eligible will have to pay an additional 10 percent for each year they could have enrolled in Part B but didn't. If you sign up at any time during the general enrollment period, your coverage will begin July 1, 2000.

If you do not have Medicare hospital insurance (Part A), but you are 65 or older and a U.S. citizen, or a lawfully admitted non-citizen who has lived in the U.S. for at least five years, you can sign up for medical insurance only, or for both hospital and medical insurance at this time. The premium for hospital insurance varies depending on the amount of time you worked in jobs where you paid Social Security taxes.

If you are interested in enrolling in Medicare or would like more information, you can call, write or visit your local Social Security office, or call Social Security's national toll-free number, 1-800-772-1213.



# KEEP IN MIND

### PENSIONS DON'T AFFECT BENEFITS

Now that tax time is approaching, a lot of people are wondering how income from a pension, IRA, or annuity might affect their Social Security benefits. Well, the answer is, it won't. Only income you earn from working affects your Social Security benefits. Gifts and inheritances won't affect your benefit either. The amount of your Social Security benefit is based on the length of time you worked and paid Social Security taxes and the amount of your earnings.

### HERE'S HOW YOU EARN CREDITS

If you're just starting out in the workforce, you might be wondering how you earn Social Security credits. Well, you do so by working — and paying Social Security taxes. This year, you'll earn one Social Security credit for every \$780 of wages, up to a maximum of four credits per year. You need a certain number of credits to qualify for Social Security benefits, depending on your age and the type of benefit you're applying for, but no one ever needs more than 40 credits to be fully insured.

### CALL IF YOU'RE PLANNING TO RETIRE

If you're thinking about retiring soon, it's a good idea to call Social Security first. We can help you plan the best time to retire, which may not necessarily be when you reach 65. It could be at the beginning of the year you plan to retire. For all the details and to talk with a representative who can help you pick the ideal time to stop working, call Social Security at 1-800-772-1213.



### ADVICE FOR TAX TIME

If you're receiving Social Security, you should know that you may have to pay taxes on some of your benefits. Couples whose combined income is between \$32,000 and \$44,000, and individuals with income between \$25,000 and \$34,000, may have to pay federal income tax on up to 50 percent of their benefits. Couples whose combined income exceeds \$44,000, and individuals whose income is more than \$34,000, may have to pay taxes on up to 85 percent of their benefits. For those whose income is below these levels, Social Security benefits are not taxed.



For figuring if you owe taxes on your Social Security benefits, income is defined as the couple's or individual's adjusted gross income as reported on Form 1040, plus one half of the total Social Security benefits received for the year, plus nontaxable interest.

The taxes are due along with other taxes you have to pay when you file your federal tax return. You may elect to have your taxes automatically withheld by completing a form W4-V. (See the article on page 4.) Be sure to check the Form 1099 you received from Social Security showing how much you received in benefits last year. If you haven't received Form 1099, call Social Security at 1-800-772-1213 or request Form 1099 online, at our website, [www.ssa.gov](http://www.ssa.gov).



**J**ust hours after entering the new millennium, Social Security reported that benefit payments were delivered on time and that field offices, teleservice centers and hearing offices were all operating normally. In spite of public Y2K concerns, Commissioner Kenneth S. Apfel said, "Social Security entered the new millennium without skipping a beat."

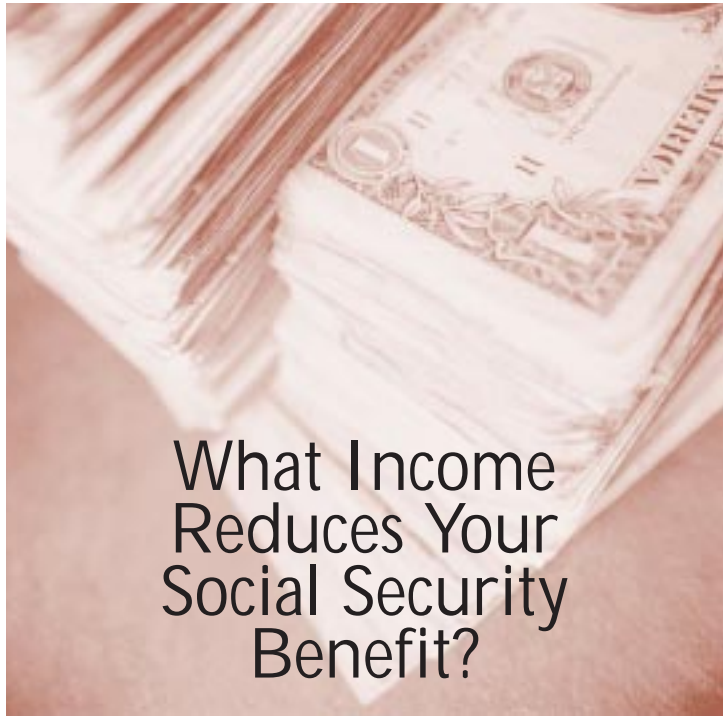
Social Security's computers play an important role in delivering timely and efficient service to the public, processing 22 million program transactions every day. The computers are a vital component in keeping track of earnings for 150 million working Americans, paying monthly benefits to 50 million individuals, processing 6.1 million new benefit applications each year, responding to 58 million telephone inquiries and issuing 16 million new and replacement cards.



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OFFICE OF COMMUNICATIONS  
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BALTIMORE MD 21235-6401

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## What Income Reduces Your Social Security Benefit?

**C**hoosing the right time to retire is not always easy. One consideration for many people under age 70 is whether their investment income will reduce the amount of their monthly Social Security benefits.

Case in point: we recently had a call from a woman planning to retire next year at age 63 and begin collecting Social Security benefits. She told us, "won't have any earned income but I will collect about \$60,000 from my 401(k) and receive interest from my certificate of deposit each year." She asked, "Will my Social Security benefits be reduced by that income?"

The answer is a resounding NO! Social Security benefits are not reduced by the income you receive from investments, including interest on bank accounts. Also, benefits are not affected by non-work income, such as annuities, capital gains and pensions from work

where you paid Social Security taxes. However, benefits may be lowered or offset if you receive a pension from work on which you did not pay Social Security taxes, such as a government pension.

A note of caution if you receive stock options as part of your retirement settlement: if you sell the stock within a certain period and realize a profit, that income could be considered as earned income. In those cases, it's wise to consult a Social Security representative before selling the stock to determine whether it will affect your monthly benefits.

*For more information about Social Security retirement benefits, call our toll-free number, 1-800-772-1213, or call or visit your local Social Security office to ask for the publication Retirement Benefits (SSA Publication No. 05-10035). This publication is also available on our website, [www.ssa.gov](http://www.ssa.gov).*

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